

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**Medicare Beneficiary Satisfaction  
With  
Supplemental Health Insurance**



**JUNE GIBBS BROWN**  
**Inspector General**

**JANUARY 1997**  
**OEI-04-93-00154**

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The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, is to protect the integrity of the Department of Health and Human Services programs as well as the health and welfare of beneficiaries served by them. This statutory mission is carried out through a nationwide program of audits, investigations, inspections, sanctions, and fraud alerts. The Inspector General informs the Secretary of program and management problems and recommends legislative, regulatory, and operational approaches to correct them.

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OEI's Atlanta Regional Office prepared this report under the direction of Jesse J. Flowers, Regional Inspector General, and Christopher Koehler, Deputy Regional Inspector General. Principal OEI staff included:

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To obtain a copy of this report, call the Atlanta Regional Office at (404) 331-4108.



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**Memorandum**

Date JAN 22 1997

From June Gibbs Brown  
Inspector General *June G Brown*

Subject OIG Final Report: "Medicare Beneficiary Satisfaction with  
Supplemental Health Insurance," OEI-04-93-00154

To Bruce C. Vladeck  
Administrator  
Health Care Financing Administration

During our 1995 survey of Medicare beneficiary satisfaction, we asked 942 beneficiaries about their satisfaction with insurance that supplements Medicare coverage. We did this at the request of Health Care Financing Administration (HCFA) staff who expressed an interest in this issue. Attached is our analysis of beneficiary responses to the questions HCFA staff suggested we include in our survey.

Our survey indicates that 84 percent of beneficiaries have medical coverage in addition to Medicare, and they are satisfied with their supplemental policies. Most said they would call the insurance company that issued the supplemental policy if they had problems with their supplemental policies.

We hope you find this information useful. We are not making recommendations, and there is no need for you to respond to this. Nevertheless, we would be glad to receive any comments you have. Also, if you have any questions, please contact me or George Grob, Deputy Inspector General for Evaluation and Inspections, or have your staff contact Mary Beth Clarke at (202) 619-2481.

Attachment

## **PURPOSE**

To determine beneficiary satisfaction with insurance that supplements Medicare.

## **BACKGROUND**

During our 1995 survey of Medicare beneficiary satisfaction, we asked 942 beneficiaries about their satisfaction with insurance that supplements Medicare coverage. Several people in HCFA expressed an interest in this subject, and suggested questions for us to include in our annual survey on beneficiary satisfaction.

In September 1995, we mailed a questionnaire to 1244 randomly-selected Medicare beneficiaries for whom Part B claims had been filed in Calendar Year 1994. We excluded from our sample beneficiaries who were enrolled in an HMO. A total of 942 beneficiaries returned completed questionnaires, for a response rate of 76 percent.

A summary of major findings of that survey follows.

## **BENEFICIARIES HAVE SUPPLEMENTAL INSURANCE**

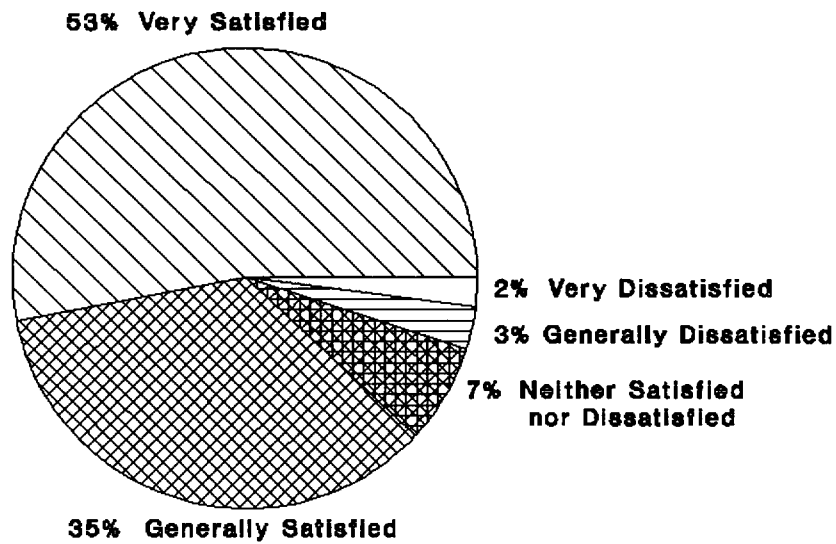
**Eighty-four percent of the beneficiaries said they have medical coverage in addition to Medicare.**

The following table shows the types of supplemental insurance beneficiaries said they have.

Type of Insurance	Percent of Beneficiaries*
Insurance Through Current or Former Employer	42 %
Private Medicare Supplemental (Medigap)	32 %
Medicaid	12 %
Other	3 %
<i>*Percentages total more than 84% because some beneficiaries said they have more than one type of insurance.</i>	

## **BENEFICIARIES ARE SATISFIED**

**Eighty-eight percent of beneficiaries who have supplemental policies are satisfied with them. Only 5 percent were dissatisfied.**



**Responses of beneficiaries who have either Medigap or insurance through former or current employment are included.**

## **BENEFICIARIES CALL INSURANCE COMPANIES IF PROBLEMS ARISE**

**Fifty-eight percent of beneficiaries said they would call the insurance company that issued the policy if they had problems with their supplemental policies.**

Few beneficiaries said they would call their State insurance, counseling, and assistance offices.

<b>Who Beneficiaries Call</b>	<b>Percent of Beneficiaries *</b>
Insurance Company that Issued Policy	58%
Medicare Carrier	17%
State Insurance Commission	10%
State Insurance, Counseling, and Assistance Office	3%
Other	2%
Don't Know	11%
<i>*Responses of beneficiaries who have either Medigap or insurance through former or current employment are included. Percentages total more than 100% because some beneficiaries said they would contact more than one agency.</i>	